

CALGARY, ALBERTA--(Marketwired - May 11, 2015) - [NuVista Energy Ltd.](#) ("NuVista") (or the "Company") (TSX:NVA) is pleased to announce results for the three months ended March 31, 2015 and provide an update on its future business plans. NuVista had a strong and steady quarter with significant operational highlights including the delivery of a reduced capital program with three drilling rigs and the continued construction of our new Elmworth compressor station. The measured reduction to our capital budget due to the weak crude oil and natural gas liquids prices allowed NuVista to maintain balance sheet strength without impairing our ability to grow rapidly and profitably in an improved long term commodity price environment.

The commodity environment continued to be challenging in the first quarter, with oil and gas prices reaching six and two year lows respectively. Despite this, NuVista realized funds from operations approximately equal to the same quarter of 2014 and continued through the winter drilling period with strength and stability. This was due to increasing Montney production, improving execution, and the benefit of the significant hedge positions which were put in place through 2013 and 2014.

Significant Operating Highlights

- Achieved first quarter 2015 production of 23,215 Boe/d, which exceeded our first half guidance range of 22,000 to 23,000 Boe/d. Wapiti Montney production for the quarter averaged 16,673 Boe/d, an increase of 9% compared to the preceding quarter production of 15,288 Boe/d;
- Achieved funds from operations of \$30.3 million (\$0.22/share, basic) for the three months ended March 31, 2015, similar to the \$30.9 million (\$0.23/share, basic) for the three months ended March 31, 2014, despite the significant reduction in commodity prices with the WTI benchmark price down 51% and the AECO benchmark gas price down 38% over the same period. Funds from operations for the quarter were similar to the first quarter of 2014 due to increased production volumes in the Wapiti Montney area and our favorable hedge position;
- Successfully executed a first quarter capital program of \$107.3 million as compared to \$126.6 million in the same quarter of 2014. Drilled 6 (6.0 net) wells in our Montney condensate rich resource play, while continuing to construct our Elmworth block compressor station and trunk lines;
- Completed the disposition of certain non-producing assets for net proceeds of approximately \$2.8 million;
- Exited the first quarter of 2015 with bank borrowings of \$232.5 million on a current facility of \$300 million;
- Subsequent to the quarter, successfully issued 11.5 million common shares and 2.5 million flow through common shares for net proceeds of approximately \$107.3 million, reducing bank borrowings to approximately \$144 million or a ratio of net debt to annualized current quarter funds from operations of approximately 1.2x;
- Subsequent to the quarter, completed the annual renewal of our bank borrowing facility and maintained the facility at \$300 million due to increased producing reserves offset by a reduction in the commodity price assumptions used by the banks;
- Achieved several new Bilbo IP30 Montney well results as shown in the updated NuVista corporate presentation which is available on our website. With the onset of spring breakup, NuVista currently has six wells awaiting completion as planned. We expect to begin completing and tying in these wells in June or July pending weather conditions; and
- Subsequent to the quarter, achieved a new well drilling cost of \$3.8 million. This represents a new record of \$1,800 per metre of horizontal interval drilled, down over 40% compared to an average of well over \$3,000 per metre in the 2011 to 2012 period as NuVista was becoming initially involved in the play.

Progress on reducing well costs per metre of rock accessed has trended positively as we transition to two and three well pads as opposed to single well locations which dominated our drilling in 2011 to 2013. We anticipate costs will continue to fall as the unit costs of supplies and services moves downward commensurate with the commodity price environment. Cost reductions in all aspects of our business remains a key area of focus for NuVista.

We commenced construction on our new Elmworth compressor station in the fourth quarter of 2014 with an anticipated startup date of mid 2015. The station has an ultimate raw natural gas design capacity of 80 MMcf/d which will be added in modular stages as needed to serve previously announced processing contracts plus potential future contracts. This operated project continues on time and on budget with a planned startup date in the second quarter of 2015 pending the completion of the SemCams ULC North Wapiti Pipeline loop project which will transport gas from the station to the SemCams K3 gas plant for processing.

NuVista is pleased to have achieved the funds from operations as announced despite experiencing temporarily high transportation costs for the trucking of condensate while awaiting midstream transportation facilities to start up. Those facilities connected to the Bilbo block were brought on-stream at the end of the first quarter and so the reduction in transportation costs and the associated increase in condensate quality pricing has already begun.

2015 Guidance

In response to the recent downturn in commodity prices NuVista announced in early 2015 that we had elected to revise our 2015 capital budget to a range of \$270 to \$290 million, which is reduced and high-graded from the original capital budget of \$340 to \$380 million announced in November of 2014. Spending for the first half of 2015 will be approximately 55 to 60% of the annual total.

We have elected to maintain our 2015 capital spending guidance at this time at \$270 - \$290 million. We remain flexible and could scale spending down further if needed, or alternatively we could scale up our capital program quickly and efficiently to take advantage of higher growth opportunities if the commodity price environment warrants it. In this reduced commodity price

environment we are seeing an emerging benefit from reducing service costs.

Our production guidance range for 2015 is unchanged at 22,500 to 24,000 Boe/d and we anticipate production in the range of 21,000 to 22,000 Boe/d for the second quarter of 2015. This is a slight reduction as planned, in comparison to the first quarter of 2015, due to temporary spring breakup conditions and approximately 750 Boe/d of production interruption due to ongoing TransCanada Pipeline ("TCPL") natural gas mainline maintenance work. Production is then expected to rise through the fourth quarter of 2015 with our increased firm TCPL contract, and likely also the third quarter depending on TCPL availability. We would also like to re-affirm that our 2015 and 2016 production estimate in this environment is forecast to be sufficient to fulfill substantially all Take or Pay ("TOP") obligations with midstream companies as a result of the flexible terms which we have put in place previously. Despite reduced spending in this environment, our long term plans for 2016 and beyond remain solid and intact.

NuVista is pleased to continue delivering value through our Wapiti Montney condensate-rich play. We will remain agile and make the necessary adjustments to weather this low commodity price environment with strength and patience, while limiting capital spending to prudently protect our balance sheet. We are fortunate that the Wapiti Montney play is among the most prolific and economic in North America, and this may prove even more important during poor commodity price periods than in favorable periods. We would like to take this opportunity to thank our shareholders, our Board, and our staff for their support and dedication as we continue to build an ever more valuable future for NuVista. Please visit our website at www.nuvistaenergy.com to view our recently updated corporate presentation.

Corporate Highlights

	Three months ended March 31,	
	2015	2014
Financial (\$ thousands, except per share)		
Oil and natural gas revenue	59,927	68,897
Funds from operations ⁽¹⁾	30,317	30,893
Per basic and diluted share	0.22	0.23
Net loss	(7,659)	) (4,358)
Per basic and diluted share	(0.06)	) (0.03)
Adjusted net earnings (loss) ⁽¹⁾	(83)	) 2,667
Per basic and diluted share	-	0.02
Total assets	1,094,181	1,017,837
Net debt ⁽¹⁾	260,087	146,503
Capital expenditures	107,316	126,569
Proceeds on dispositions	2,752	-
Weighted average common shares outstanding (thousands)		
Basic and diluted	138,712	135,135
Operating		
Production		
Natural gas (MMcf/d)	98.6	70.4
Condensate (Bbls/d)	4,655	2,803
Butane (Bbls/d)	506	577
Propane (Bbls/d)	611	983
Ethane (Bbls/d)	677	859
Oil (Bbls/d)	331	866
Total oil equivalent (Boe/d)	23,215	17,823
Liquids ratio (%)	29	34
Average product prices ⁽²⁾		
Natural gas (\$/Mcf)	3.83	4.50
Condensate (\$/Bbl)	48.47	95.29
Butane (\$/Bbl)	30.37	59.54
Propane (\$/Bbl)	8.11	57.46
Ethane (\$/Bbl)	9.41	15.61
Oil (\$/Bbl)	41.78	89.28
Operating netback (\$/Boe) ⁽¹⁾		
Oil and natural gas revenue (\$/Boe)	27.73	42.95
Realized gain (loss) on commodity derivatives (\$/Boe)	5.87	(2.31)
Royalties (\$/Boe)	1.36	4.14
Transportation (\$/Boe)	3.21	1.03
Operating costs (\$/Boe)	10.94	10.87
Operating netback (\$/Boe)	18.09	24.60

Funds from operations netback (\$/Boe) ⁽¹⁾	14.52	19.26
Share trading statistics		
High	8.98	9.70
Low	5.87	6.79
Close	7.62	9.58
Average daily volume	404,105	492,510

NOTES:

(1) Funds from operations, funds from operations per share, operating netback, funds from operations netback, adjusted net earnings, adjusted net earnings per share and net debt are not defined by GAAP in Canada and are referred to as non-GAAP measures. Funds from operations are based on cash flow from operating activities as per the statement of cash flows before changes in non-cash working capital and asset retirement expenditures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net earnings (loss) per share. Operating netback equals the total of revenues including realized commodity derivative gains/losses less royalties, transportation and operating expenses calculated on a Boe basis. Funds from operations netback is operating netback less general and administrative, restricted stock units and interest expenses calculated on a Boe basis. Adjusted net earnings equals net earnings excluding after tax unrealized gains (losses) on commodity derivatives, impairments, impairment reversals, goodwill impairments and gains (losses) on property divestments. Net debt is calculated as long-term debt plus adjusted working capital. Adjusted working capital is current assets less current liabilities and excludes the current portions of the commodity derivative asset or liability. Total Boe is calculated by multiplying the daily production by the number of days in the period. For more details on non-GAAP measures, including reconciliation to GAAP measures refer to NuVista's "Management's Discussion and Analysis".

(2) Product prices exclude realized gains/losses on commodity derivatives.

FINANCIAL STATEMENTS AND MD&A

First quarter 2015 condensed interim financial statements and notes to the financial statements and Management's Discussion and Analysis for [NuVista Energy Ltd.](http://www.nuvistaenergy.com) have been filed on SEDAR (www.sedar.com) under [NuVista Energy Ltd.](http://www.nuvistaenergy.com) and can also be accessed on NuVista's website at www.nuvistaenergy.com.

ADVISORY REGARDING OIL AND GAS INFORMATION

This news release contains the terms barrels of oil equivalent ("Boe"). Natural gas is converted to a Boe using six thousand cubic feet of gas to one barrel of oil. Boes may be misleading, particularly if used in isolation. The foregoing conversion ratios are based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As well, given that the value ratio based on the current price of crude oil to natural gas is significantly different from the 6:1 energy equivalency ratio, using a conversion ratio on a 6:1 basis may be misleading as an indication of value.

Any references in this news release to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for NuVista.

ADVISORY REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward looking statements, including management's assessment of: NuVista's future strategy, plans, opportunities and operations; capital budget; forecast production; production mix; drilling, development, completion and tie-in plans and timing and results thereof; expectations of timing and costs of construction of facilities and the benefits thereof; planned throughput capacity; ability to fulfil all TOP obligations; plans to limit capital spending to manage NuVista's balance sheet and maximize value, commodity price expectations, future processing capacity, future drilling and completions costs; future supply and service costs, future transportation costs; the timing, allocation and efficiency of NuVista's capital program and the results therefrom; the anticipated potential and growth opportunities associated with NuVista's asset base; and industry conditions.

By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond NuVista's control, including the impact of general economic conditions, industry conditions, current and future commodity prices, currency and interest rates, anticipated production rates, borrowing, operating and other costs and funds from operations, the timing, allocation and amount of capital expenditures and the results therefrom, anticipated reserves and the imprecision of reserve estimates, the performance of existing wells, the success obtained in drilling new wells, the sufficiency of budgeted capital expenditures in carrying out planned activities, competition from other industry participants, availability of qualified personnel or services and drilling and related equipment, stock market volatility, effects of regulation by governmental agencies including changes in environmental regulations, tax laws and royalties; the ability to access sufficient capital from internal sources and bank and equity markets; and including, without limitation, those risks

considered under "Risk Factors" in our Annual Information Form.

This press release also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about our prospective results of operations and funds from operations, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI and forward-looking statements. NuVista's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and FOFI, or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the forward-looking statements and FOFI in this press release in order to provide readers with a more complete perspective on NuVista's future operations and such information may not be appropriate for other purposes. NuVista disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP measurements

Within this new release, references are made to terms commonly used in the oil and natural gas industry. Management uses funds from operations to analyze operating performance and leverage. Funds from operations as presented, does not have any standardized meaning prescribed by GAAP and therefore it may not be comparable with the calculation of similar measures for other entities. Funds from operations as presented is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, per the statement of cash flows, net earnings (loss) or other measures of financial performance calculated in accordance with GAAP. All references to funds from operations throughout this press release are based on cash flow from operating activities before changes in non-cash working capital and asset retirement expenditures. Adjusted working capital equals current assets less current liabilities excluding the current portion of the commodity derivative asset or liability. Net debt is equal to bank debt net of the adjusted working capital. Annualized current quarter funds from operations is calculated as cash flow from operating activities before changes in non-cash working capital and asset retirement expenditures for the current quarter, annualized for the year. Net debt to annualized current quarter funds from operations is net debt divided by annualized current quarter funds from operations. Funds from operations per share is calculated based on the weighted average number of common shares outstanding.

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